

Washington, D.C. – Congressman Wally Herger (R-CA), Chairman of the House Ways & Means Subcommittee on Health, delivered the following remarks in support of H.R. 4, the “Comprehensive 1099 Taxpayer Protection and Repayment of Exchange Subsidy Overpayments Act of 2011,” legislation that would repeal the onerous new IRS Form 1099 information reporting requirements that were imposed on small businesses under the Democrats’ new health care law. This provision requires businesses to submit a 1099 form to the I.R.S. for any vendor from whom they purchase more than \$600 worth of goods and services for the year. The 1099 mandate has created significant uncertainty for small businesses dealing with implementation of the government takeover of health care – resulting in increased costs, burdensome red tape, and job losses. The repeal passed the House by a vote of 314-112 (238 Republicans and 76 Democrats). You can see video of Herger’s remarks [here](#) .

“Mr. Speaker, I rise in strong support of H.R. 4. Coming from a small business background myself, I personally know the paperwork burden that misguided government regulations impose on our nation’s entrepreneurs and job creators. If the expanded 1099 reporting requirement in the Democrats’ health care law takes effect, it will be one of the most far-reaching and burdensome unfunded mandates ever created. Small businesses will be required to fill out hundreds or even thousands of these forms every year. Yet, the revenue supposedly raised by this reporting amounts to less than 1 percent of the estimated annual “tax gap.” This 1099 rule is devastating to small businesses and it must be repealed now.

“H.R. 4 addresses the budgetary cost of repealing the 1099 requirement by cutting wasteful government spending. The Democrats’ health law provides subsidies for low-income people to buy health insurance, but if their income goes up and they don’t need the help anymore, they still get to keep a large portion of the subsidy. Getting rid of excess subsidies is not a “tax increase.” It’s simply being responsible with the taxpayers’ money.

“Mr. Speaker, the American people have told us they want two things: more jobs and less spending. The bill before us advances both of these goals, and it deserves the support of every member of this House.”